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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/017,311	10/30/2001	Jeffery O. Burrell	60027.0051US01	7213

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EXAMINER

O'CONNOR, GERALD J

ART UNIT	PAPER NUMBER
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3627

DATE MAILED: 06/19/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

10/017,311

Applicant(s)

Burrell et al.

Examiner

O'Connor

Art Unit

3627

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE THREE MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on March 30, 2006.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1, 4, 5, 9-19, and 21-26 is/are pending in the application.
- 4a) Of the above claim(s) none is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1, 4, 5, 9-19, and 21-26 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on October 30, 2001 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Preliminary Remarks

1. This Office action responds to the amendment and arguments filed by applicant on March 30, 2006 in reply to the previous Office action on the merits, mailed December 28, 2005.
2. The amendment of claims 1, 9, 12, 14, 15, and 21-23 and the cancellation of claims 6-8 and 20 by applicant, in the reply filed March 30, 2006, are hereby acknowledged.

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 1, 4, 5, 9-19, and 21-26 are rejected under 35 U.S.C. 103(a) as being unpatentable over the admitted prior art, as described in the background section of the specification on pages 1 and 2.

Regarding method claims 1, 4, 5, and 14, other than including the element of automation/technology, claims 1, 4, 5, and 14 all read on the underlying, admitted-prior-art, manual method of maintaining an inventory record for inventory having various locations and performing a periodic manual inventory update to correct/reconcile any discrepancies in the

inventory record as the accuracy of the record diminishes over time, except that the admitted prior art fails to include the steps of: removing outlier values from the data; averaging the remaining data values; and, using the calculated average as the adjustment amount when the current inventory data needs to be updated/adjusted/corrected due to a discrepancy in the count of items, as determined by an updated inventory assessment, rather than simply using the oldest/earliest value and using that value without regard as to whether or not the value was obviously erroneous. Note that, other than for automation, all other claimed features are either explicitly described by the admitted prior art, or else would necessarily, thus inherently, be performed in practicing the method described by the admitted prior art.

Regarding the steps/functionality not included in the admitted prior art, FIFO, LIFO, average, and weighted average are four well known, hence obvious, techniques to use in the valuation of inventory, and official notice to that effect is hereby taken. Furthermore, excluding obviously erroneous, mis-keyed data to improve the accuracy of results when averaging data is also a well known, hence obvious, technique to use when calculating a statistical average, and official notice to that effect is also taken.

Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to have modified the method described in the admitted prior art, so as to periodically perform necessary corrections/adjustments/updates to inventory based on inventory valuation calculated on a statistical average basis, rather than a FIFO basis, as is well known to do, and to exclude clearly erroneous, mis-keyed data when calculating the average, as is also well-known to

do, in order to produce an accounting of inventory that would be as accurate as possible, and since so-doing could be performed readily and easily by any person of ordinary skill in the art, with neither undue experimentation, nor risk of unexpected results.

Regarding the aspect of automation, the admitted prior art does not include that any known apparatus is capable of performing, in an automated fashion, the manual methods described by the admitted prior art. However, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to have provided the use of apparatus such as recited in method claims 1, 4, 5, and 14, since the underlying method steps/functions being performed by the apparatus are themselves known, and because it has been held that broadly providing a mechanical or automatic means to replace manual activity which would accomplish the same result involves only routine skill in the art. *In re Venner*, 120 USPQ 192.

Regarding claims 9, 12, and 13, the further details of these dependent claims would all be either inherent in the described combination, or else self-evident or well known, hence obvious, to one of ordinary skill in the art, such that it would have been obvious to one of ordinary skill in the art, at the time of the invention, to have made any necessary modifications, merely as a matter of design choice, since so doing could be performed by any person of ordinary skill in the art, with neither undue experimentation, nor risk of unexpected results.

Regarding claims 10 and 11, the admitted prior art does not include making substitutions of inventory for interchangeable parts to offset a surplus of one with a shortage of another, based on a substitution table to indicate interchangeability of parts. However, storing a list of

interchangeable parts in a table and making substitutions of interchangeable parts to offset a shortage of one with a surplus of another is a well known, hence obvious, technique to employ in performing an accounting of inventory. For example, if 60 Energizer AA batteries and 40 Duracell AA batteries are later determined to instead be 60 Duracells and 40 Energizers, there are still 100 AA batteries. Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to have further modified the method of the admitted prior art so as to provide a substitution table of interchangeable parts and make substitutions of interchangeable parts to offset a shortage of one with a surplus of another, as is well known to do, in order to minimize the amount of adjustments being made to correct the inventory, thereby improving the accuracy, since so doing could be performed readily and easily by any person of ordinary skill in the art, with neither undue experimentation, nor risk of unexpected results.

Regarding apparatus claims 15-19 and 21-26, the admitted prior art does not include that any known apparatus is capable of performing, in an automated fashion, the methods described by the admitted prior art. However, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to have provided apparatus such as recited by claims 15-19 and 21-26, since the underlying method steps/functions being performed by the apparatus are themselves either known or considered obvious, as set forth in the rejections of claims 1, 4, 5, and 9-14 hereinabove, and because it has been held that broadly providing a mechanical or automatic means to replace manual activity which would accomplish the same result involves only routine skill in the art. *In re Venner*, 120 USPQ 192.

Response to Arguments

5. Applicant's arguments filed Mar. 30, 2006 have been fully considered but are not persuasive.

6. Regarding applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413; 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091; 231 USPQ 375 (Fed. Cir. 1986).

Conclusion

7. The prior art made of record and not relied upon is considered pertinent to the disclosure.

8. Applicant's amendment necessitated any new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

9. Any inquiry concerning this communication, or earlier communications, should be directed to the examiner, **Jerry O'Connor**, whose telephone number is **(571) 272-6787**, and whose facsimile number is **(571) 273-6787**.

The examiner can normally be reached weekdays from 9:30 to 6:00.

If attempts to reach the examiner are unsuccessful, the examiner's supervisor, Mr. Alexander Kalinowski, can be reached at **(571) 272-6771**.

Official replies to this Office action may be submitted by any *one* of fax, mail, or hand delivery. **Faxed replies are preferred and should be directed to (571) 273-8300.** Mailed replies should be addressed to "Commissioner for Patents, PO Box 1450, Alexandria, VA 22313-1450." Hand delivered replies should be delivered to the "Customer Service Window, Randolph Building, 401 Dulany Street, Alexandria, VA 22314."

GJOC
June 12, 2006

 6/12/06

Gerald J. O'Connor
Primary Examiner
Group Art Unit 3627